Message Text

CONFIDENTIAL

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 SS-15 TRSE-00 CIAE-00 INR-07

NSAE-00 OES-06 OMB-01 AID-05 NSC-05 INT-05 COME-00

FEA-01 ACDA-07 AGR-05 /075 W

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R 130735Z SEP 76 FM AMEMBASSY JIDDA TO SECSTATE WASHDC 5844 INFO AMCONSUL DHAHRAN

CONFIDENTIAL JIDDA 6182

E.O. 11652: GDS TAGS: EIND, SA

SUBJECT: CANCELLATION OF DESALTING PROJECTS

REF STATE 222944

1. INFO REFTEL APPRECIATED. WE HAVE PICKED UP SOME ADDITIONAL INFORMATION.

2. RELIABLE GOVERNMENT SOURCE HERE INDICATES THAT THERE IS A POWER STRUGGLE TO CONTROL THE BILLION DOLLAR DESALTING PROJECTS BETWEEN PRINCE MOHAMMED BIN FEISAL AND DR. ABDUL RAHMAN IBN ABDUL AZIZ IBN HASSAN AL SHEIKH, MINISTER OF AGRICULTURE AND WATER. ALLEGEDLY, BUDGETARY SUPPORT FOR SWCC WAS WITHHELD PREVENTING AWARD OF CONTRACTS TENDERED EARLIER, BIDS FOR WHICH WERE DUE TO BE AWARDED IN AUGUST. ON THE ALLEGATION THAT PRINCE MOHAMMED'S SWCC PROJECTS WERE OUTPACING DEVELOPMENT, A COMMITTEE OF MINISTERS (COMPOSITION NOT CLARIFIED) VOTED AGAINST PRINCE MOHAMMED'S RECOMMENDATION TO ISSUE ALL THE TENDERS AS SOON AS POSSIBLE. OUR INFORMANT STATES THAT IN FIT OF PIQUE, PRINCE MOHAMMED HIMSELF CANCELLED THE CURRENT PROJECTS TO DRAW ATTENTION TO THE PROBLEM FOR THE REPERCUSSIONS BOUND TO FOLLOW.

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3. NAT KEARN WAS RECENTLY IN JIDDA (HENRY KEARN'S

SON) AND GOT INDICATION OF WHAT WAS TO HAPPEN FROM PRINCE MOHAMMED.

4. CURRENT BELIEF IS THAT THE CANCELLATION DECISION WILL BE REVERSED AND THAT SAUDI CIRCLES SEEKING RIGHT FORMAT TO DO THIS AND MAKE IT LOOK ACCEPTABLE FROM PUBLIC RELATIONS VIEWPOINT. THERE IS ALSO SPECULATION THAT OTHERS IN SAG MINISTERIAL CIRCLE DESIRE TO GET PIECE OF THE ACTION FROM THE MULTIBILLION DOLLAR PROJECTS. PORTER

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: DESALINATION, PROGRAMS (PROJECTS), POLITICAL SITUATION

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Disposition Date: 28 MAY 2004
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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MÁY 2006

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To: STATE

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